

**Public Health Committee Public Hearing
March 12, 2010
Diane Randall, Executive Director
Partnership for Strong Communities**



Testimony on S.B. No. 405 An Act Concerning the Development of Cost Effective Supportive Housing for Frequent Users of Costly State Services

Senator Harris, Representative Ritter, members of the Public Health Committee:

Thank you for the opportunity to testify today in support of **S.B. No. 405 An Act Concerning the Development of Cost Effective Supportive Housing for Frequent Users of Costly State Services**. I am Diane Randall, Executive Director of the Partnership for Strong Communities, a statewide organization that engages civic and political support to solve homelessness, create affordable housing and develop strong, vibrant communities. The Partnership staffs the Reaching Home Campaign, a broad-based, consortium of organizations, advocates and funders, with a mission to end chronic homelessness through the creation of permanent supportive housing. Your support of S.B. 405 is another important step to achieve our goal.

S.B. 405 would end homelessness and create stability for individuals and families with very low incomes and chronic illnesses through supportive housing: permanent, independent and affordable rental housing that connects tenants to social services and employment services. This bill would provide supportive housing to people who are **currently** using higher cost state services: individuals and families who are frequent users of emergency services such as shelters or hospital emergency rooms and institutional settings such as nursing homes, hospitals, prisons, in-patient psychiatric hospitals and de-tox facilities.

The proposed legislation builds on Connecticut's supportive housing system that includes experienced supportive housing providers, committed civic and political leadership in communities throughout our state and an effective state interagency collaboration in housing and service delivery. ***At this time when the state is looking for effective results with less money. SB 405 offers a solution.***

Over the past 15 years, the State has invested in the creation of permanent supportive housing, leveraging millions in federal resources through HUD, SAMSHA and through private investors in Low Income Housing Tax Credits and philanthropic support. Over 4,400 units of supportive housing for individuals and families in 80 towns are providing homes with a connection to support services, fostering stability, improved health, independence and employment for people who have been homeless.

This bill promotes a slightly different approach to the creation of supportive housing by targeting individuals and families identified by DMHAS and the Interagency Committee for Supportive Housing. It would place DMHAS in charge of allocating rental vouchers and

support services to qualified supportive housing providers to serve the identified population. Emergency shelter providers, mental health service providers, discharge planners from hospitals, nursing homes or jails can all identify people whose lives would improve and whose demand on state services would be dramatically reduced through the availability of supportive housing.

The per unit cost of supportive housing ranges from \$15,000 to \$20,000 annually depending on the level of services, rental market and apartment size. Experienced service providers calibrate the level of services that individuals and families in supportive housing need, which varies over time. Apartment rents are driven by the market; a voucher is used to pay the difference between a tenant's contribution of 30% of household income and the fair market rent. Compare this to the annual costs of nearly \$40,000 for a prison bed, \$80,000 for a nursing home bed or \$400,000 for in-patient hospitalization. Scores of people living in these situations could more appropriately live in affordable housing in the community with support services. ***This transformation from institutional and emergency care to independent living for nearly 200 households can happen with resulting budget savings in FY11.*** In these difficult times, it makes fiscal sense to reduce costly institutional and emergency services for those who can live more productive lives in affordable housing with support service.

Finally, you should know that, like you, philanthropic investors in supportive housing and emergency systems are keenly interested in the results of their investments and share your interests in maximizing the social returns and the most effective use of their resources. To that end, we would be pleased to work with DMHAS and the Interagency Committee on Supportive Housing to convene private funders to determine the effectiveness and scalability of this approach to frequent users of state services.

Thank you very much for your time and your leadership. Please support S.B. No. 405. I am happy to answer any questions you have today or in the future.

Recommend technical changes in the bill's language:

Line 5: add "extremely" before "low-income"

Line 8: change "to" to "for"

Line: 10 should read, . . . "or (2) individuals who reside in institutions and are frequent users of state services.